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January 7, 1999

HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

RECEIVED

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Re: Ex Parte Presentation

In the Matter of Applications for Transfer of Control to AT&T Corp. of Licenses
and Authorizations Held by Tele-Communications, Inc.

CS Docket No. 98-178

Dear Ms. Salas:

In a December 31, 1998, telephone conversation with the undersigned on behalf of AT&T Corp. and Tele-Communications, Inc., Royce Dickens and Sunil Daluvoy of the Cable Services Bureau and Susan Aaron of the Office of General Counsel requested certain information about Teleport Communications Group, Inc. ("TCG") in connection with the Commission's review of the applicability of section 652(a) of the Communications Act to the above-referenced proceeding. The information they requested is transmitted herewith.

During the conversation, I reiterated the argument, contained in AT&T and TCI's joint opposition in this docket, that the merger does not violate section 652(a). I noted that Congress specifically used the phrase "telephone service area" to define the area in which telco acquisitions of cable systems were prohibited, the Commission having previously interpreted that phrase to exclude common carriers that lacked monopoly control over local bottleneck facilities. I also pointed out that section 652(e), which originated in the House bill, underscores Congress's intent to limit section 652(a) to established carriers (i.e., carriers that controlled bottleneck facilities as of January 1, 1993) rather than to new entrants. It is undisputed that TCG did not exercise monopoly control of local bottleneck facilities as of January 1, 1993 -- and does not exercise such control today. The attached answers to the staff's questions make this abundantly clear.

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Ms. Magalie Roman Salas

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In accordance with Section 1.1206(b)(1) of the Commission's rules, I am submitting two copies of this notice and the attachment for inclusion in the above-captioned docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Howard J. Symons", with a long horizontal flourish extending to the right.

Howard J. Symons

cc: Royce Dickens
Sunil Daluvoy
Susan Aaron

Question 1: What is the nature of the services TCG offered as of January 1, 1993 (e.g., local exchange, exchange access, IX, resale, facilities-based)?

Question 2: In what areas did TCG offer service as of January 1, 1993?

Response:

As of January 1, 1993, TCG offered services in the following seven markets: metropolitan New York (including Newark, Jersey City, and Princeton, New Jersey; Nassau County, New York, and all boroughs of New York City except the Bronx), Boston, San Francisco, Los Angeles, Chicago, Dallas, and Houston. TCG offered Private Line and Special Access services in all seven markets. In New York, where TCG had acquired two switches from Merrill Lynch that were being used as PBXs, TCG also provided Shared Tenant Service and Earth Station Service in addition to those services described above.

TCG utilized those switches to provide some intra-customer switching functionality and services and features generally associated with switching equipment like custom calling features. For those services, NYNEX still "owned" and assigned the customer's telephone number; all incoming calls to the customer were directed to the NYNEX switch serving that customer and then trunked over to TCG's switch. All outbound toll calls were directed to the customer's chosen IXC (with TCG thereby providing CAP services). All outbound local calls were trunked to NYNEX for completion. Intra-customer calls would not necessarily leave the TCG network, but all calls from one TCG customer to another would be sent back to NYNEX and through the NYNEX switch. TCG had no reciprocal compensation agreements with New York Telephone until June 1994. It was for these reasons that the Commission concluded that TCG did not have a "telephone service area" in New York City for purposes of the then-existing cable television/telephone cross ownership rules. See Teleport Communications – New York, 7 FCC Rcd 5986 (1992). New York is the only market where TCG was providing any switched-based services as of January 1, 1993.

Question 3: In which markets where TCG was providing services as of January 1, 1993 do TCI or its affiliates have cable systems?

Response:

TCG Markets - January 1, 1993

Metropolitan New York

Boston

San Francisco

Los Angeles

Chicago

Dallas

Houston

TCI or Affiliated Cable Company

Cablevision Systems Corp. (affiliate)

Brooklyn, Nassau County, Newark
Cablevision Systems Corp. (affiliate)

TCI

TCI

TCI

TCI

Time Warner (affiliate)

Question 4: What is the current corporate structure of TCG?

Response:

Teleport Communications Group, Inc. is a Delaware corporation that is headquartered in Dayton, New Jersey. Teleport Communications Group, Inc. is a wholly owned subsidiary of AT&T Corp. There have been no changes to TCG's corporate structure since the merger. TCG's FCC authorizations are held by the same TCG entities that held the authorizations before the merger.